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CSE: HEAT  
OTCQB: HLRTF  
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## Hillcrest Shareholder Update

VANCOUVER, BC, October 21, 2021 - [Hillcrest Energy Technologies](#) (CSE: HEAT) (OTCQB: HLRTF) (FRA: 7HIA.F) ("Hillcrest" or the "Company"), a clean tech innovation and e-mobility development company, is pleased to provide the following update on major Company initiatives.

For the benefit of our shareholders, Hillcrest has scheduled a webinar for Tuesday November 2<sup>nd</sup> to present a full update, including detailed technology descriptions by Ari Berger and Harald Hengstenberger. A question-and-answer portion will also be included. Details of the webinar will be announced in advance.

### **High Efficiency Inverter (HEI)**

*Showing Promise as Testing Continues*

In August, Hillcrest announced commencement of manufacturing for its first Proof of Concept (PoC) next-generation High Efficiency Inverter (HEI). Two functioning 10kW/800V PoC inverters were produced for lab testing and further application validation. The first is based on SiC technology and will test power efficiency gains and cost benefits for future electric vehicles and other e-mobility powertrains. The second is based on IGBT technology and will test the potential for improved performance and increased energy production capability in grid-connected renewable energy generation, storage and EV charging applications. Testing of the first PoC is well underway in our Vancouver lab facility and in Systematec's lab in Germany. Results to-date are promising and in line with the performance and efficiency objectives previously announced. The Company is on schedule to release anticipated results this quarter.

Over the next three years, the global inverter market is estimated to grow to \$72 Billion by 2024. While Hillcrest's HEI is adaptable for all segments of the inverter market, the initial focus will be in the traction motor drives and EV charging sectors that represent 55% of the inverter market.

Ari Berger, Hillcrest CTO states: "The testing is meeting or exceeding expectations with the estimated time frame to have proof of concept in place by the end of the Q4. The technical team is excited about the impact our HEI may have both commercially and technologically."

### **Electric Powertrain Systems Development**

*Reimagining Production and Performance*

Hillcrest is committed to advancing multiple technologies with a second initiative well underway. The HEI is designed to be a component within our second system-level technology. Hillcrest will leverage the efficiency and performance enhancements from its HEI technology in the development of more robust electric powertrain systems. The Company intends to provide

additional updates on this emerging system technology as successful simulation results are completed and advanced to PoC stages in the first half of next year.

To better ensure estimated timelines and project development points are met, the Company will continue to add talent, experience and capabilities in areas including commercialization and engineering. The growing technical team will explore additional electromechanical and power conversion R&D opportunities in conjunction with the projects currently underway.

## **EV Deal Co**

### *Negotiations Continue*

In April, Hillcrest announced an MOI with a privately held British Columbia company (“EV Deal Co”) firmly established in the EV charging market.

The announcement stated that upon a formal agreement being signed, Hillcrest would obtain a 30% equity interest in EV Deal Co with an option to acquire an additional 21% within two years of the effective date.

Recent technology and corporate advancements now have Hillcrest in a stronger position to consider an expanded arrangement beyond what was originally contemplated with EV Deal Co. Discussions between Hillcrest and EV Deal Co continue and both parties have agreed to expedite the process, with any agreement, if completed, to be signed prior to year-end.

## **Impact Programs**

### *Disciplined Focus*

Over the past year, Hillcrest has evolved from a company pursuing synergistic relationships to one where we have acquired commercial IP and in-house development capabilities by purchasing ANIGO Technologies Ltd and appointing Ari Berger to the role of CTO. Subsequent agreements included solidifying our partnership with Systematec GmbH which further extends Hillcrest’s capabilities into all aspects of motor drive control systems -- from the hardware to the software to the systems engineering expertise. In addition, the Company has already filed its first provisional patent application and plans to file an additional application by the end of this year. These collective agreements and patent applications have positioned Hillcrest to better control future values through development and ownership of our technologies rather than to position ourselves by licensing third party technology. As a result, Hillcrest is placing its full weight and energy into the aforementioned programs as they provide the largest potential for shareholder value moving forward.

We have a firm focus on our technology developments, and the discussions with the EV Deal Co group which the Company believes offer the best potential long-term value. As a result, any previously announced LOI’s or MOU’s such as the one announced November of 2020 with Extreme Vehicle Battery Technologies, are no longer a company focus.

## **West Hazel Oil Field**

### *Operations Update*

The Company previously announced the successful completion of a short lateral oil well in the Company's West Hazel oil field. Hillcrest utilized available cash on hand to complete the drilling operations.

Early fluid production numbers were positive with the well initially producing an average of approximately 100 barrels of oil per day before subsequently stabilizing at between 30 and 60 barrels of oil per day. Hillcrest is now evaluating the future options for the West Hazel oil field.

As part of Hillcrest's commitment to environmentally responsible operations, the Company is proactively remediating seven non-commercial wells significantly earlier than required under current regulations. All seven wellbores have been plugged and service equipment removed, with final surface remediation planned for summer 2022. Initiating these abandonment activities now to return well sites to their original condition significantly reduces the Company's environmental footprint and substantially reduces long-term Asset Retirement Liability costs.

ON BEHALF OF THE BOARD

**Donald Currie**  
**Chief Executive Officer and Director**

#### **About Hillcrest Energy Technologies**

Hillcrest Energy Technologies is a clean tech innovation company developing transformative power conversion devices and control systems for next-generation powertrains and charging applications. The Company is transitioning from the production of fossil fuels from its West Hazel asset in Saskatchewan, to clean energy technologies that help unlock efficiencies in electrification and maximize performance of electric systems including electric vehicles, motors and electric generators. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power the future. Hillcrest is publicly traded on the CSE under the symbol "HEAT", on the OTCQB Venture Market as "HLRTF" and the Frankfurt Stock Exchange as "7HIA.F".

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## **Cautionary Statement Regarding "Forward-Looking" Information**

Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "expects", "intends", "is expected", "potential", "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. This forward-looking information is provided as of the date of this news release. The forward-looking information reflects our current expectations and assumptions and is subject to a number of known and unknown risks, uncertainties and other factors, which may cause actual results, performance, or achievements to be materially different from any anticipated future results, performance or expectations expressed or implied by the forward-looking information. No assurance can be given that these assumptions will prove correct. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Investors are advised to consider the risk factors under the heading "Risks and Uncertainties" in the Company's MD&A for the year ended December 31, 2020 available at [www.sedar.com](http://www.sedar.com) for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance, or achievements expressed or implied by the forward looking information.. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.

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